



UK Export
Finance

UK Export Finance
1 Horse Guards Road
London
SW1A 2HQ

T 020 7271 8010
gov.uk/uk-export-finance

Rt Hon Frank Field MP
Chair of the Work and Pensions Committee
Work and Pensions Committee
14 Tothill Street
London SW1H 9NB

09 March 2018

Dear Mr Field,

I am writing in reply to your letter of 26th February 2017 in relation to the joint inquiry of the Work and Pensions and Business, Energy and Industrial Strategy Committees into Carillion.

UK Export Finance (UKEF) is the UK's export credit agency, with a mission to ensure that no viable UK export fails for lack of finance or insurance in situations that the private sector will not, while operating at no net cost to the taxpayer. UKEF helps UK companies to export by providing insurance, guarantees and loans, backed by the strength of the government's balance sheet. UKEF charges premium for its support to reflect the risk it assumes and to cover its administrative costs. It charges commercial rates of interest on lending that it supports.

Where UKEF has provided support for Carillion contracts overseas, the support has taken the form of loans, or guarantees on bank loans, to the overseas customers buying from Carillion and its UK supply chain. The loan or guarantee has therefore gone to the overseas buyer, not to Carillion itself.

UKEF publishes details of the support it has provided to companies in all sectors on an annual basis in its Annual Report and Accounts which is presented to Parliament and on UKEF's website. Details of UKEF's support to Carillion's overseas customers in the last decade are set out in the table below. There are two instances of support to an overseas customer of Carillion that are due to be published in the 2017-18 Annual Report and Accounts, the details of which are also included in the table.

Country	Financial Year	Exporter	Buyer/obligor	Project	Product	Maximum liability* (GBP)
Dubai	2010-11	Carillion Construction Ltd	Emaar Properties	Two residential towers	Buyer credit	157,886,959
Egypt	2010-11	Carillion Construction Ltd	Al-Futtaim Real Estate Dev SAE	Construction of infrastructure and apartment blocks	Buyer credit	172,599,977
Abu Dhabi	2013-14	Carillion Construction Ltd	Aabar Investments PJS	Hotel	Buyer credit	139,508,716
Dubai	2013-14	Carillion Construction Ltd	Meraas Malls LLC	Residential, retail and entertainment mall	Buyer credit	163,221,198

Country	Financial Year	Exporter	Buyer/obligor	Project	Product	Maximum liability* (GBP)
Dubai	2014-15	Carillion Construction Ltd	Dubai World Trade Centre LLC	Property construction	Buyer credit/direct lending	97,412,380
Dubai	2015-16	Carillion Construction Ltd	Dubai World Trade Centre LLC	Property construction	Buyer credit/direct lending	159,563,810
United Arab Emirates	2017-18** (April 2017)	Carillion Construction Ltd	Sharjah Environment Co LLC - Beeah	Property construction	Direct lending	66,975,668***
Dubai	2017-18 (April 2017)	Carillion Construction Ltd	Dubai World Trade Centre LLC	Property construction	Buyer credit/direct lending	169,552,317***

*Maximum liability represents the total loan value and interest payable.

**Issued in 2016-17 but came into force in 2017-18.

***The figures published in the 2017-18 Annual Report and Accounts will reflect the foreign currency exchange rate at year end.

None of the projects supported by UKEF where Carillion was the exporter related to work performed in Qatar.

For the majority of Carillion projects that UKEF has supported, construction has been completed, and finance has either been repaid or is now being repaid by the overseas buyers without any issues and we anticipate payments will continue as agreed. For projects where construction is yet to be completed, UKEF is working across government and with the parties involved to find an appropriate solution, although amounts already drawn are properly owed.

I would like to close by emphasising that UKEF has no direct financial exposure to Carillion, and has lost no money in relation to Carillion, nor has it suffered any customer default as a result of Carillion's liquidation.

Yours sincerely,

Louis Taylor
Chief Executive